COMMODITIES

Wide shifts in beef costs foreseen in months ahead

NRN Special Report

There are going to be some severe peaks and valleys in beef costs in the months ahead, and the same causes will affect pork and poultry prices as well. Upward pressure will come from increased grain prices. Farmers are announcing cutback plans based upon the Federal Government's "payment-in-kind" (PIK) program.

PIK operates by providing farmers grain from the Government's bulging warehouses if they cut back on their acreage. Although there is still time to change their minds, nationwide the cutbacks amount to about 33% of the corn crop, 20% of the wheat crop, and 25% of the sorghum planting. This will start affecting prices of grains now; in fact, the price of corn is rising already. The major impact upon meat prices, however, will come in the fall.

Prices on cattle peaked in the first half of April as heavy rains in the major cattle raising areas kept feedlots from accepting more animals for fattening. Feeders have a difficult time when the lots are muddy. Cattle don't eat well when they are uncomfortable, and mud makes them extremely so. The mud cakes on their sides and bellies and makes them work hard just to move, which melts the fat away from their frames. That, plus the difficulty in eating, keeps them from gaining the weight anticipated by the feedlot operators. Moving the cattle to slaughter is more difficult as well, and some of the feeders don't even attempt it until the weather improves.

A big plus in the picture, however, is the use of the land which is not being planted in grains. Farmers are being encouraged by the Government to place feeder cattle in those fields to graze. Both wheat and corn fields provide good grazing for feeder cattle. In fact, the increased interest in buying such cattle drove their price up during the latter part of March and early April. These should drive down prices in August.

There is an adequate amount of pork in the pipeline as *NRN* goes to press, but there was a late March and early April disruption in the marketing of hogs caused by the severe Midwest weather. Prices for pork are at a relatively moderate level (under $1 per pound for the first time in months) at the slaughter houses in the Midwest. Some purveyors, however, are slow

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PRICE MOVEMENT AT A GLANCE

	April 15, 1982	March 15, 1983	April 15, 1983
Beans, pinto, dry, Colorado (cwt.)	$15.00	$12.25-12.50	$14.00
Beef, Choice, 700-900 lb., Midwest (lb.)	$ 1.09	$ 1.01	$ 1.10
Broilers, Grade A, Icepack, NYC (lb.)	$ 0.4738	$ 0.4490	$ 0.4348
Cocoa , bulk, Ivory Coast, NYC (lb.)	$ 0.7095	$ 0.9063	$ 0.9022
Coffee, green bean, Brazil, NYC (lb.)	$ 1.40	$ 1.28	$ 1.27
Corn, No. 2, yellow, Midwest (bu.)	$ 2.595	$ 2.725	$ 3.055
Eggs, Grade A large white, Chicago (doz.)	$ 0.6875	$ 0.645-0.65	$ 0.625-0.63
Lettuce, Iceberg, California (24s)	$ 5.00	$ 2.50-3.00	$ 5.50-6.00
Pork loins, Choice, 14-17 lb., Midwest (lb.)	$ 0.99	$ 1.04	$ 0.9625
Potatoes, round white, Maine (50 lb.)	$ 2.875	$ 1.25	$ 3.00-3.125

Source: NRN Research

Prices listed are packers' f.o.b. plant, unless specified, and do not represent the prices paid by the operator. This list is only a reference to indicate price trends against benchmarks of one year ago and one month ago. Products listed are those showing marked movement in price.

Haig, Betty Ford head guest list at 'upgraded' 64th NRA Show

CHICAGO—The United States Culinary Olympic team is expected to provide headline excitement as it competes for the North American championship in the hot-food competition at the 64th annual NRA Restaurant, Hotel-Motel Show at McCormick Place here, May 21-25. The team's appearance is part of its preparation for the 1984 Culinary Olympics in Frankfurt, West Germany.

Other events also expected to grab the attention of attendees of the giant trade show include shop talks, panel discussions, and educational programs featuring internationally known guest speakers like former Secretary of State Alexander Haig and former First Lady Betty Ford.

"We've upgraded and increased the number of guest speakers and programs this year," said Thomas Corcoran, NRA show director. The NRA expects attendance to approach last year's 88,312.

A panel discussion on American cuisine, Colonial times through present day, will feature Richard Nelson, a lecturer, author and cooking instructor. Judith Jones will serve as moderator.

The economy in food service today seminar will include panelists Charles Bernstein, editor of *Nation's Restaurant News*, Jean Black Bakos, editor of *Restaurant Business*, Stephen Michaelides, executive editor of *Restaurant Hospitality*, and Jane Young Wallace, editor of *Restaurants and Institutions*. Charles Lynch, chief executive officer of Saga Corp., will serve as moderator of the seminar, which will take place Tuesday, May 24, from 2 p.m. to 3:30 p.m. in the management clinic area

Other planned panel discussions include a cafeteria operator's shoptalk; a seminar on hotel rehabilitation; the second annual saloonkeeper's shop talk, featuring pub operators from the United States, Australia and England; a seminar

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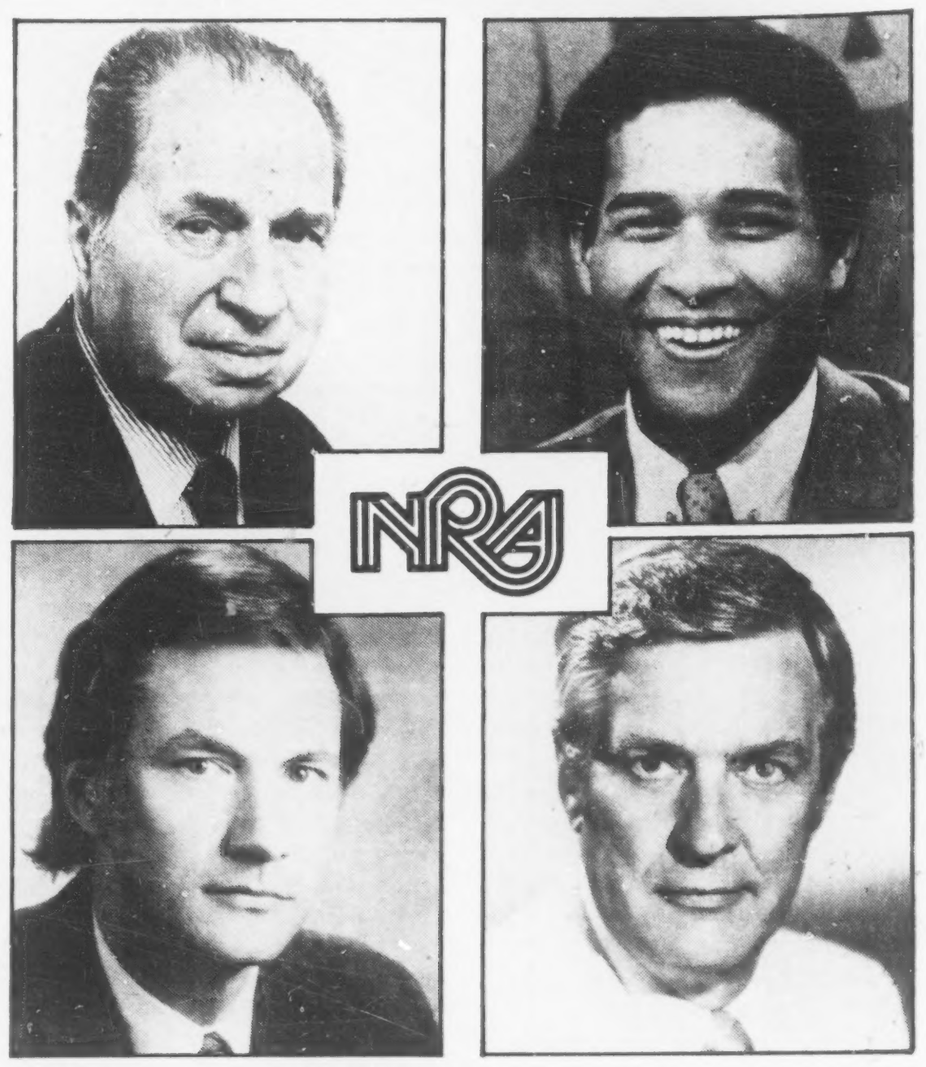

Guest appearances at the NRA Show include (clockwise from top left) Mortimer Adler, creator of the 'Syntopicon': Bryant Gumbel; NRA-TV anchorman Floyd Kalber, and Tom Peters.

Convention may herald rebound . . .

San Francisco tourism still off

By Richard Martin

SAN FRANCISCO—Despite recent setbacks in this city's hospitality industry, prospects for the local hotel and restaurant trade have brightened in anticipation of next year's Democratic National Convention here. Signs of vitality in the ranks of new independent operations are also giving the local restaurant scene a shot in the arm.

A budding resurgence of independents along once downtrodden Fillmore Street could be signaling the birth of a fashionable "gourmet ghetto" here in the culinary heartland of the West. Populated by innovative and so far successful operations like Vivande, the Elite Cafe and Eichelbaum & Co., Fillmore Street is off the beaten path of the usual tourist traffic, which in recent months has been in serious decline.

Elsewhere in the city, the hot Italian concepts Prego, Ciao and Donatello are among other notable exceptions to the doldrums many tourist area operations have experienced recently.

Business prospects have remained uncertain throughout the winter months for many op-

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Operations like Vivande, which combines an eclectic mix of food-service styles, have signaled the birth of a "gourmet ghetto" on once downtrodden Fillmore Street.

Senate Judiciary approves legislation setting stiff penalties for hiring aliens

By Ken Rankin

WASHINGTON—The Senate Judiciary Committee shouted down critics of the Administration's controversial immigration "reform" bill and approved legislation setting stiff criminal penalties for restaurant operators who hire illegal aliens.

The committee's action clears the path for a full Senate vote on the measure, and according to most observers passage now is considered virtually certain.

"Realistically, the last chance we had to stop this bill was in the committee," a spokesman for Sen. Edward Kennedy (D-Mass.) told *Nation's Restaurant News*. "Our only real hope now is that the House will cut it off."

That's exactly what happened last year when time ran out on the House version after the Senate had approved a companion bill containing the controversial hiring sanctions.

The pending Senate bill—sponsored by Sen. Alan Simpson (R-Wyo.)—would shift the burden of detecting "unlawful immigrants" to private industry by requiring employers to check (and retain records of) the immigration status of all future job applicants.

Food-service operators and other employers charged with "knowingly" hiring illegal aliens would face harsh Federal penalties.

Since a disproportionate share of the millions of aliens who enter the United States illegally each year seek employment as unskilled restaurant workers, industry lobbyists are concerned that the bill would prove particularly burdensome to the nation's food-service operators.

The National Restaurant Association has warned Congress the proposed hiring sanctions could discourage many firms from hiring any workers who appear to be foreign-born—a policy that could run afoul of current U.S. Equal Employment Opportunity Commission regulations.

Congressional opponents of the bill including Kennedy and a caucus of Hispanic legislators attempted to soften the impact of the hiring sanctions through a number of amendments limiting the scope of the immigration bill. That 11th-hour strategy failed, however, and the measure cleared the committee virtually intact on a 13 to 4 vote.

Last year's immigration proposal passed the full Senate by an 80 to 19 margin, and a similarly lopsided vote is likely this session.

S.F. restaurants to get $11M convention windfall

SAN FRANCISCO—A windfall of nearly $11 million will be the take for San Francisco restaurants from the projected $36-million economic impact of the Democratic National Convention, to be held here from July 16-20, 1984.

Just one month after the city's renovated cable car fleet is due back on track, as many as 25,000 delegates and guests will descend on the city, plus as many as 6,000 members of the press.

A breakdown of total expenditures forecast by the city's convention bureau has 35% going for hotel rooms, 8% to hotel restaurants, 22% to other restaurants, and 18% to the general retail sector. The balance will go for transportation and miscellaneous expenses.

The convention bureau has already obtained commitments

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FINANCIAL NEWS

Rising menu prices threaten sales at chains

MIDDLETOWN, N.J.—Menu price increases averaging 4.4% in March over the previous March for 17 major selected food service chains have raised the specter of a possible sales drop in coming months.

While menu price rises for the selected group increased above their respective 3.9% and 3.8% levels for January and February, the U.S. Commerce Department says food store and supermarket prices were up only 1% in February and March.

"To the extent that these divergent patterns [escalating restaurant menu prices and declining food store menu price rises] continue," warned Restaurant Trends Inc.'s Carl DeBiase, "restaurant sales trends may be adversely affected."

Average real sales (comparable unit sales minus menu price rises) for the 17 chains surveyed by DeBiase jumped 3.9% in March over the previous March, after climbing 5.1% in January and 3.6% in February.

For the entire first quarter, real sales increases over 1982's first quarter averaged 4.2% for the group. Fast-food hamburger chains were up 6.9%, coffee shops 3.2% and others 3.1%, DeBiase said.

Six chains—spurred by aggressive advertising and promotion—led the way in March, with Burger King showing a 14% real sales rise over the previous March; PepsiCo's Taco Bell and Pizza Hut respectively up 8% and 7%; and Ponderosa, Hardee's and Friendly up 6%.

Denny's showed a 5% real sales rise for March, and Sambo's—with its new Season's format—3%.

Wendy's, Church's, Howard Johnson and Winchell's were each up only 1% in March. Long John Silver's was off 5%. These chains' sales trends have been "disappointing for some time," DeBiase said.

Meanwhile, Prudential Bache's Michael Culp emphasized that "violent swings in weather conditions throughout the United States materially distorted first-quarter sales trends at virtually all leading chains. After a mild January during which traffic sharply improved, he said, heavy rains in California, blizzards in the Northeast and Atlanta, and "other severe storms dampened year-to-year comparisons."

Pizza Inn posts 22% profit gain for fiscal '82

DALLAS—Pizza Inn has reported a 22% increase in net profit to $1,701,000 for fiscal 1982 ended Dec. 26, compared to 1981.

Revenues for the year increased slightly to $140,539,000.

In the fourth quarter, profits increased significantly from $30,000 in 1981 to $476,000 last year.

Revenues for the quarter fell slightly to $34,942,000.

Food-service chain stock analysis table

		STOCK PRICE							TREND TO MARKET				EARNINGS/SHARE					P/E	DIVIDENDS			FINANCIAL POSITION					
		Two Weeks Ended April 22							Price Trend (% per day)		Volume Trend (% per day)			Latest 12 Months vs Preceding 12 Months Change		5-Year Annual Growth Rate	Profit Margin		Indicated Dvd. Rate			Last Fiscal Year			Last Fiscal Year (Per Share)		
Name	Symbol	High	Low	Close	Change Amt.	Change Pct.	52-Week High	52-Week Low	Last 30 Days	Last 5 Days	Last 30 Days	Last 5 Days	Last Fiscal Year	Amt.	Pct.			Latest P/E Ratio	Amt.	Yield	Last X-Dvd. Date	Revenue	Earnings	Current Ratio	Long Term Debt	Common Stock Equity	Last Balance Sheet Date
—	—	$	$	$	$	%	$	$	%	%	%	%	$	$	%	%	%	—	$	%	—	$ Mil.	$ Mil.	—	$	$	—
Aca Los A Res	ALAR	6.13	5.13	6.00	.88	17.07	7.88	3.75	-.47	.00	2.22	10.55	.05	-.09	Q	-42.8	-29.0	.3	50.0	.00	.0	01-06-81	37.1	.1	2.4	5.69	2.90	1081
Am Motor Inns	INN	34.38	27.13	34.13	5.00	17.17	34.38	15.88	-.10	2.51	7.40	-26.63	2.10	.45	S	24.8	28.0	7.0	15.1	.25	.7	12-26-82	161.4	11.3	1.6	15.08	13.00	0782
ARA Services	ARA	47.50	46.50	47.50	.88	1.88	47.88	25.25	.24	.08	-3.82	-12.19	3.43	-.36	Q	-9.4	-8.0	1.4	13.8	2.05	4.3	05-26-83	2805.6	38.9	1.1	22.39	44.25	0982
Assoc Hosts	AHST	25.00	22.25	25.00	4.00	19.05	25.00	5.00	.53	.85	-2.18	-12.79	.58	-.21	Q	-28.0	-17.0	2.2	46.3	.12	.5	03-04-83	78.6	1.7	1.6	6.60	7.58	0982
Beefsteak Char	BCS	7.88	7.25	7.50	-.25	-3.23	9.75	4.50	-.71	-.70	-3.34	27.37	.88	.17	Q	26.1	38.0	3.7	9.1	.00	.0	00-00-00	97.1	3.6	1.3	5.92	4.23	1082
Bob Evans Farms	BOBE	26.00	24.25	26.00	1.00	4.00	29.06	14.66	-.47	.39	7.01	9.96	1.09	-.03	N	-2.7	21.0	7.9	24.8	.30	1.2	01-18-83	173.4	13.7	1.7	.00	5.17	0482
Bonanza Intl Inc	BNZA	4.13	4.00	4.13	.13	3.13	4.25	1.38	.62	-.08	.24	5.99	.11	.17	Q	NC	-81.0	2.3	24.3	.00	.0	00-00-00	21.4	.5	1.2	11.24	1.50	1281
Brock Hotel Cp	BHC	9.50	8.50	9.00	.25	2.86	17.50	7.50	-.12	.40	-2.40	.63	.39	-.15	F	-27.7	11.0	2.0	23.1	.10	1.1	03-15-83	259.8	5.1	1.2	11.01	3.90	1281
Calny Food	CLNY	15.25	14.75	15.00	.00	.00	17.25	5.16	.12	-.53	.82	-20.39	.74	.50	N	119.0	9.0	3.2	16.3	.20	1.3	01-27-83	37.0	1.2	.6	1.01	1.51	0282
Captain Crabs	CRAB	3.75	3.63	3.75	.00	.00	4.13	1.00	-.53	.45	4.13	32.71	.00	.00	Q	NC	NC	.0	NE	.00	.0	00-00-00	.9	.0	7.0	.04	.22	0882
Carrols Develop	CRL	11.25	9.88	10.75	.13	1.18	11.50	3.34	-.02	-.69	-1.92	-35.86	.44	.40	N	93.0	22.0	1.9	13.0	.07	.7	02-02-83	68.6	1.3	.6	6.55	4.00	0582
Chart House	CHHO	29.00	25.25	28.88	3.75	14.93	29.00	17.25	.12	.52	-3.95	11.70	2.08	.05	F	2.4	13.0	4.9	13.9	.60	2.1	03-17-83	382.0	18.7	.9	14.53	10.14	1281
Chi-Chis	CHIC	24.63	23.00	24.00	.38	1.59	26.88	8.75	-.15	-.63	-2.31	24.04	.37	.27	N	90.0	26.0	11.1	42.1	.00	.0	12-20-82	40.5	4.5	3.1	.74	.82	0481
Ch Full O Nut	CHF	18.50	16.75	17.38	.00	.00	19.88	12.00	-.34	-.73	-2.81	-22.60	.34	-.07	S	-14.5	-11.0	1.4	42.4	.40	2.3	12-09-82	115.8	1.6	3.1	.43	5.97	0782
Churchs Fr Ch	CHU	42.88	40.75	41.75	2.50	6.37	42.88	25.00	.25	.14	4.14	-26.88	3.28	-.18	Q	-5.1	9.0	10.1	12.7	1.00	2.4	01-24-83	413.1	41.6	1.8	.93	17.60	1282
Cindys Inc	CNDYC	3.13	3.00	3.13	.13	4.17	3.88	2.63	-.46	-.21	-2.51	-34.51	-.06	1.37	F	NE	NE	-.6	NE	.00	.0	00-00-00	17.0	-.1	.0	7.17	.29	1281
Collins Foods	CF	25.63	23.00	25.38	1.88	7.98	25.63	10.89	.15	1.76	-2.93	-10.03	1.69	.53	N	33.3	16.0	3.2	12.0	.24	.9	03-25-83	298.0	9.6	1.3	7.44	10.69	0482
Consul Corp	CNSL	14.25	12.50	14.00	1.63	13.13	14.25	5.88	-.14	.29	-5.64	-9.44	.00	.16	N	400.0	NE	.0	70.0	.00	.0	00-00-00	17.6	.0	.7	2.21	2.88	0582
Cracker Barrel	CBRL	27.75	25.75	27.75	2.25	8.82	27.75	9.00	.18	1.42	-5.61	15.71	1.03	.18	S	17.8	19.0	3.7	23.3	.00	.0	00-00-00	35.4	1.3	1.9	5.35	6.69	0782
Dennys Inc	DEN	36.88	34.00	36.50	2.50	7.35	36.88	22.38	.35	-.25	.78	-24.68	2.47	.29	S	12.7	9.0	3.9	14.3	.64	1.8	03-04-83	955.7	36.8	1.4	15.81	15.02	0682
Dunkin Donuts	DUNK	22.13	20.63	21.75	1.13	5.45	22.13	9.91	.13	-.05	1.55	-31.72	1.40	.20	Q	15.8	18.0	9.4	14.9	.24	1.1	02-07-83	71.3	6.7	1.2	12.87	15.97	1082
Frischs	FRS	16.63	15.50	16.50	.25	1.54	17.25	7.94	-.14	.65	-.70	21.70	1.80	-.27	N	-15.0	12.0	3.8	10.9	.40	2.4	03-29-83	101.0	3.8	1.5	6.23	13.58	0582
Godfathers Pizza	GFPZ	25.25	20.63	25.25	4.75	23.17	25.25	9.63	.58	3.94	-.95	45.07	.65	.07	F	12.0	121.0	14.9	38.8	.00	.0	00-00-00	40.2	6.0	2.0	.76	1.01	1281
Hambrg Hamlet	HAMB	11.25	8.25	11.25	3.00	36.36	11.25	5.00	.42	3.97	.04	-29.46	1.35	.54	N	93.1	-8.0	3.2	10.0	.00	.0	00-00-00	31.6	1.0	.7	20.45	13.07	0382
Hardwicke	HAWK	1.63	1.13	1.63	.50	44.44	2.88	.88	.55	6.62	3.11	7.14	-2.22	-5.08	N	-336.8	-63.0	-11.4	NE	.00	.0	00-00-00	30.6	-3.5	1.4	18.38	8.12	0981
Hilton Hotels	HLT	50.50	43.25	50.13	4.63	10.16	52.00	27.63	-.06	3.54	4.18	9.81	3.12	-1.10	Q	-27.6	1.0	13.4	17.4	1.80	3.6	02-28-83	520.5	83.4	2.0	4.48	19.98	1281
Holiday Inns	HIA	45.50	40.50	45.25	4.38	10.70	45.50	24.50	.20	.66	1.36	5.52	2.50	-.18	F	-6.7	13.0	6.8	18.1	.84	1.9	03-14-83	1425.3	97.2	.9	11.74	25.35	1282
Holiday Inns A	HIA A	63.00	61.00	63.00	2.50	4.13	63.00	38.38	.10	-.18	2.00	.00	NA	NA		NA	NA	NA	NA	.00	.0	00-00-00	NA	NA	NA	NA	NA	NA
Horn & Hardart	HOR	30.38	24.13	30.00	5.50	22.45	30.38	13.06	.06	-.09	5.95	-53.46	1.14	.19	F	20.0	30.0	2.8	26.3	.00	.0	09-27-82	235.4	6.6	1.7	11.45	6.30	1281
Hungry Tiger	HTIG	10.50	9.75	9.75	-.25	-2.50	12.25	4.84	-.48	-1.47	-2.59	-10.49	.78	-.07	S	-9.4	7.0	3.8	14.6	.00	.0	11-15-82	55.9	2.1	.6	4.91	5.57	0882
Imperial Grp	IMT	1.94	1.75	1.81	-.06	-3.33	2.06	1.50	-.04	-2.15	1.37	-6.25	.24	.00	F	.0	2.0	2.0	7.6	.14	7.7	09-28-82	8462.9	171.0	1.1	.65	2.08	1081
Intl Dairy Queen	INDQ	29.00	28.00	29.00	1.00	3.57	30.00	11.25	-.26	.17	-.51	-7.81	2.17	.60	Q	35.5	30.0	6.3	12.7	.00	.0	00-00-00	98.6	6.2	1.1	11.23	6.32	1182
Int King Tab	IKNG	21.13	16.75	21.13	4.75	29.01	21.13	2.63	.79	2.36	-.25	15.11	.33	1.00	S	NE	.0	1.4	32.5	.00	.0	10-09-79	36.6	.5	.3	4.09	3.77	0682
JBs Rest	JBBB	15.00	13.88	15.00	1.13	8.11	15.00	5.75	.28	-.09	.14	5.28	.93	.27	S	37.5	13.0	3.5	15.2	.16	1.1	02-07-83	45.1	1.6	.9	6.38	5.84	0982
Jerrico Inc	JERR	19.63	18.50	19.38	.63	3.33	23.50	12.69	-.52	-.19	3.06	22.46	1.40	-.16	S	-10.8	22.0	5.1	14.8	.12	.6	03-04-83	425.5	21.8	.9	2.91	8.99	0682
Kapok Tr Inns	KTI	7.00	5.88	6.75	1.00	17.39	7.00	3.00	.94	-.58	2.41	-46.67	-.37	-.21	Q	NE	-46.0	-6.1	NE	.00	.0	00-00-00	11.4	-.7	2.5	1.36	5.45	0982
Kelly-Johnston	KEJO	14.88	12.13	14.13	1.75	14.14	24.50	10.34	-.50	-.84	2.01	-27.53	.59	.26	N	72.2	98.0	8.4	22.8	.00	.0	10-13-82	17.9	1.5	.9	.89	4.40	0382
Karcher Carl	CARL	24.25	23.25	24.25	1.00	4.30	25.50	8.91	-.30	.23	1.83	27.26	1.21	1.43	N	NC	17.0	3.4	17.0	.00	.0	02-16-83	200.6	6.9	1.9	5.15	6.67	0182
Lubys Cafe	LUB	30.25	29.50	29.50	-.50	-1.67	32.59	20.50	-.47	-.52	.47	12.17	1.35	.18	S	14.4	20.0	9.1	20.6	.48	1.6	06-06-83	127.3	11.6	1.9	.64	6.79	0882
Marcus Corp	MRCS	10.75	10.13	10.75	.75	7.50	11.38	5.50	-.36	.09	.99	-18.80	1.13	.06	N	5.1	4.0	5.7	8.8	.00	.0	08-24-81	103.8	5.9	.8	2.98	9.76	0582
Marriott Corp	MHS	70.75	59.63	68.25	8.63	14.47	70.75	32.00	.39	.17	1.04	-13.26	3.44	.38	Q	11.8	24.0	3.7	19.0	.36	.5	03-21-83	2541.4	94.3	.9	33.49	19.43	1282
McDonalds Cp	MCD	74.50	67.75	73.50	5.00	7.30	74.50	43.09	-.05	.62	-1.08	-15.53	5.00	.64	F	14.6	17.0	10.9	14.7	.88	1.2	10-15-82	2769.5	300.6	.5	15.35	22.73	1281
Morrison Inc	MORR	19.50	17.88	18.00	-1.25	-6.49	20.13	9.75	-.34	-1.67	2.51	27.75	1.16	.31	N	29.5	9.0	4.1	13.2	.40	2.2	04-11-83	364.3	15.1	1.4	2.95	7.90	0582
Mr Steak	MSST	9.00	6.75	8.50	2.00	30.77	9.00	1.75	2.08	-1.20	.45	-43.24	-.98	-1.24	Q	-539.1	-41.0	-2.7	NE	.00	.0	05-29-80	59.8	-1.6	1.1	4.26	3.76	0982
Nathans	NATH	2.00	1.50	2.00	.38	23.08	2.50	.72	-.97	4.79	2.65	50.22	.03	.80	N	NE	NE	.6	20.0	.00	.0	09-09-82	16.7	.1	.5	.10	1.73	0382
Naugles	NAUG	27.25	21.00	26.75	5.75	27.38	27.25	7.88	.35	3.17	-.34	.64	.78	.87	S	NC	49.0	3.9	30.7	.00	.0	11-01-82	55.8	2.2	.4	8.04	2.73	0682
Oakbrook Cons	OKCO	18.00	18.00	18.00	.00	.00	18.50	9.00	.56	-.16	4.42	.00	.69	-1.05	F	-60.3	-2.0	.4	26.1	.32	1.8	12-29-82	143.6	.6	.6	3.82	13.85	0982
Orange-co	OJ	5.13	4.88	5.13	.25	5.13	9.00	4.38	-.18	1.05	1.77	23.27	-.25	-1.71	Q	-158.3	-26.0	-.8	NE	.00	.0	02-22-82	74.0	-.6	1.3	13.28	4.63	0882
Peoples Rest	PEPL	10.13	7.50	10.00	2.38	31.15	10.13	4.25	.24	2.16	5.23	-4.95	.19	.18	S	NC	78.0	13.8	55.6	.00	.0	00-00-00	5.8	.8	.5	.75	2.39	0682
Piccadilly Caf	PICC	17.63	15.50	17.63	.50	2.92	18.13	13.50	-.52	3.18	-4.79	2.47	1.39	-.36	N	-25.0	9.0	5.9	16.3	.56	3.2	03-09-83	142.6	8.4	1.9	.00	7.29	0682
Pizza Inn	PZA	11.75	9.88	11.63	1.75	17.72	11.75	4.50	.49	.29	-2.43	-33.20	.61	.11	F	22.0	-4.0	1.2	19.1	.02	.2	04-11-83	140.5	1.7	.9	12.94	6.65	1281
Pizza Time Thea	CHKY	18.50	15.25	18.25	3.00	19.67	32.50	14.25	-.11	1.46	-3.17	-2.93	1.27	.33	Q	40.2	29.0	7.6	15.9	.00	.0	00-00-00	99.3	7.5	1.2	5.53	9.23	1282
Ponderosa Sys	PON	22.00	19.25	21.00	1.63	8.39	22.00	9.34	.03	.11	6.52	-13.04	1.34	.66	N	69.4	-6.0	2.4	13.0	.33	1.6	03-04-83	353.9	8.5	1.0	13.32	11.23	0282
Ramada Inns	RAM	8.13	7.13	7.63	.25	3.39	8.50	4.25	-.16	.00	-1.26	13.54	-.73	-.77	F	-925.0	-29.0	-3.6	NE	.00	.0	10-19-81	548.3	-19.8	.6	18.98	6.03	1281
Restaur Assc	RA	8.88	8.00	8.50	.13	1.49	9.00	3.25	-.22	-.85	-4.92	-21.64	.78	-.19	F	-19.5	43.0	1.8	10.9	.00	.0	00-00-00	104.8	1.9	1.3	3.17	6.38	1281
Ryans Fam Steak	RYAN	22.25	17.50	22.00	3.63	19.73	22.25	3.09	1.09	4.84	-.08	32.08	.33	.36	Q	NC	68.0	10.6	61.1	.00	.0	04-20-83	9.4	1.0	3.1	.34	1.61	1282
Saga Corp	SGA	54.75	49.25	54.38	4.38	8.75	54.75	23.88	.41	.47	-.54	71.57	3.35	.96	N	29.8	41.0	1.9	13.0	.72	1.3	02-14-83	901.0	16.8	.9	8.51	17.72	0682
Sandwich Chef	SHEF	15.50	14.50	15.50	1.00	6.90	15.50	11.50	.00	-.17	-1.12	-22.22	.77	.76	S	NC	26.0	4.7	20.4	.00	.0	00-00-00	17.0	.8	.6	.50	3.42	0682
Sea Galley	SEAG	9.38	8.38	8.63	.25	2.99	10.63	5.50	.13	-2.09	-.04	-29.46	.02	-.66	F	-97.0	-11.0	.1	431.3	.00	.0	06-02-81	70.1	.1	1.8	2.38	4.99	1281
Servico Inc	SRVI	15.25	14.00	15.25	1.25	8.93	16.00	7.03	-.45	1.51	-3.62	-18.40	1.54	-.82	N	-43.6	61.0	3.5	14.4	.00	.0	07-09-82	126.4	4.4	1.1	50.99	5.46	1281
Shoneys Inc	SHON	26.00	24.00	24.13	-1.88	-7.21	27.00	12.47	-.42	-1.11	2.71	-17.46	.86	.08	F	10.2	19.0	5.1	28.1	.15	.6	03-11-83	324.9	16.6	1.0	2.65	5.02	1082
Skippers	SKIP	15.25	14.50	15.00	-.25	-1.64	15.25	4.75	1.03	.34	-1.26	-17.80	.72	.42	Q	71.1	14.0	2.6	14.9	.08	.5	10-18-82	38.1	1.0	1.2	3.45	6.07	1281
Sonesta Hotel	SNSTZ	15.50	15.50	15.50	.00	.00	16.50	8.50	-.34	-.17	-1.48	-44.00	.28	-.11	F	-28.2	5.0	.9	55.4	.20	1.3	06-25-82	80.1	.7	1.1	26.22	9.51	1282
So Hospitality	SHOS	5.63	5.00	5.25	-.50	-8.70	6.25	1.38	-.15	-1.33	-2.83	11.54	.14	.21	N	NC	25.0	2.5	25.0	.00	.0	00-00-00	20.3	.5	1.0	2.29	-.20	0582
Steak n Shake	STAK	5.75	5.38	5.63	.50	9.76	5.75	2.50	1.02	-.23	-1.65	-25.30	.18	.12	F	200.0	-28.0	1.4	31.3	.00	.0	05-17-79	57.2	.8	1.2	4.60	2.60	0981
Victoria Stations	VSTA	9.63	8.50	8.50	.00	.00	10.38	5.00	.22	-2.34	1.64	-9.77	.35	-1.05	N	-875.0	-41.0	1.0	NE	.00	.0	09-19-79	123.4	1.2	1.0	7.67	10.49	0382
Wendys Intl	WEN	19.25	17.75	18.00	.25	1.41	19.25	9.59	.11	-1.26	-.43	-12.80	1.13	.12	F	11.8	18.0	7.3	15.9	.24	1.3	02-22-83	607.6	44.1	.6	2.56	5.27	1281
Webb Del E	WBB	15.13	13.88	15.00	1.00	7.14	15.88	5.88	-.18	.50	-.63	-8.22	-.11	.47	F	NE	-25.0	-.4	NE	.00	.0	11-07-80	311.2	-1.1	1.1	16.12	13.25	1281
Western Steer	WSMP	14.75	12.25	14.75	2.75	22.92	14.75	8.00	1.06	1.02	4.35	-63.95	1.06	1.13	N	NC	9.0	3.7	13.1	.12	.8	12-08-82	27.3	1.0	1.3	6.97	6.29	0282
Winners Cp	WNER	13.00	12.63	12.88	.13	.98	14.63	6.94	-.61	-.43	.31	-10.81	.62	.12	F	24.0	7.0	2.6	20.8	.00	.0	03-10-83	83.1	2.2	.3	10.03	5.32	1281

KEY: NA—Not Applicable NC—Not Calculable NE—Negative Earnings Q-First Quarter S-Six months N-Nine months F-Fiscal year

**—Other than a quarterly multiple resulting from a fiscal year change.*

Data and Table Provided by Media General Financial Services, Inc., Richmond, VA 23261

FINANCIAL NEWS

Company's top 3rd qtr.

Saga net profit jumps 44%

MENLO PARK, Calif.—Saga Corp. net profit jumped 44% to $6.6 million for the third quarter ended March 26, compared to the same period a year ago.

Revenues for the period were up 10% from last year to $252 million.

For the first nine months of the year net profit was $18.4 million vs. $13.9 million last year—a 32% increase. Nine-month revenues were up 8% to $728.6 million, compared to $673.9 million last year.

"Our third-quarter earnings were better than we had anticipated and reflect the best third quarter performance in the company's history," said Charles A. Lynch, Saga chairman and ceo. Lynch was particularly pleased with the 20% third-quarter increase in restaurant division sales; gains in the first half were a more modest 12%. "This growth was the result of new store additions, special promotional efforts and the continuing consumer acceptance of new product offerings," he said.

"The more moderate revenue growth which we experienced during the first half of our fiscal year in our contract food-service divisions continued during the third quarter," Lynch said. Through nine months the contract divisions had posted revenues of $494.4 million, up 5% from last year's nine-month gross of $469.4 million.

Lynch reported that operating margins in both the restaurant and contract segments continued to improve in the third quarter. He credited continuing moderate food cost inflation, stringent management cost controls and effective cash management programs for the improved earnings performance.

Saga owns and operates three restaurant chains: Stuart Anderson's Black Angus/Cattle Co., Straw Hat Pizza and The Velvet Turtle, in addition to providing contract food-service management to colleges, corporations and hospitals.

Dairy Queen net leaps 213% in first quarter

MINNEAPOLIS—International Dairy Queen, franchisor of more than 4,700 soft-serve ice cream shops, reported net profit rose 213% to $417,475 during the first quarter ended Feb. 25 compared with the same period of the previous year.

Revenues rose 28% to $20.4 million during the quarter.

The chain is progressing with the rollout of its new line of hard ice cream, during the next year. Harris Cooper, president and chief executive officer, said Dairy Queen would make its new product available in 19 new markets by midsummer.

The product, dubbed "Queen's Choice," has been in limited testing since the summer of 1981.

Cooper said that crossover between the new line and Dairy Queen's traditional soft-serve product was minimal in the test markets. This, he said, proves that soft ice cream and hard ice cream are separate markets.

Volumes increased about 5% in stores offering the new line, the company said.

The higher profitability of hard ice cream will pay off for IDQ, Cooper said. He added that the hard ice cream sales could eventually comprise about half of his chain's total business.

Carl Karcher Ent. net up 41% in fiscal '82

ANAHEIM, Calif.—Karl Karcher Enterprises has scored a 41% net profit increase to $9.8 million for the fiscal year ended Jan. 28 compared to last year.

Revenues for the full year were up 15% to $231 million.

The company owns and operates more than 350 Carl's Jr. fast-food restaurants in California, Arizona and Nevada.

For the 12 weeks ended Jan. 28 net profit increased 42% over the same period a year ago, not including the gain on sales of nine Taco de Carlos units. The fourth-quarter net was $2.2 million on sales of $55.8 million compared to a posted net profit of $1.6 million on sales of $47.2 million in last year's closing quarter.

During fiscal 1983 the company owned 37 new Carl's Jr. outlets. Further development in existing and new markets is planned for the current year, with an emphasis on Arizona.

Hyatt Corp. withdraws Braniff offer

FORT WORTH—Hyatt Corp. withdrew its offer at presstime to get Braniff International airborne again. But whether it's the final curtain or just another act in a continuing drama remained to be seen.

The Chicago-based hotel chain pulled back its $35 million offer—which had been upped from $10 million—to relaunch Braniff in return for 80% of the carrier's common stock.

Instead, secured creditors, who would have borne much of the risk in a reincarnation, pushed a plan to remake the once high-flying airline into a strictly ground-service business.

Shoney's profits rise 4.3%

NASHVILLE—Shoney's Inc. reported net profit for the first quarter ended Feb. 20 increased 4.3% to $5,142,906, compared to the same period last year.

Revenues for the quarter increased 26% to $108,370,326.

This was the 95th consecutive quarter in which revenues and earnings per share were higher than the same quarter of the previous year.

In other news, Shoney's recently sold 750,000 shares of common stock at $26 a share for a gain of $19.5 million.

Taylor Henry Jr., vice president of finance, said the proceeds would be used to repay bank borrowing and provide funds for buying, developing and building restaurants.

Raymond L. Danner, chairman and chief executive, said the increase in first quarter sales was due to the opening of new units and a "continued strong customer count."

He said average restaurant sales increased 10.5%, resulting a real sales gain of 6.5%, after deducting menu price increases.

Shoney's opened 24 company-operated restaurants during the first quarter—three Shoney's, 11 Captain D's, and 10 Lee's Famous Recipe. Eleven new franchised units were opened.

Nashville-based Shoney's Inc. operates or franchises more than 1,000 restaurants in 33 states.

In its report on first quarter results Shoney's said net profit for 1983 includes the goodwill write-off of $144,546 related to the purchase of the Lee's Famous Recipe chain.

Taco Viva net increases 46%

POMPANO BEACH, Fla.—Taco Viva, a 45-unit chain of Mexican-style fast-food restaurants based here, reported net profit for the quarter ended Feb. 28 rose 46% to $292,000 compared to the same period last year.

Sales for the quarter went up 39% to $4,275,000.

For the first nine months of the fiscal year, profit was up 62% to $650,000.

J. Brion Foulke III, president, said the increases in sales and profit were due to better volumes in established units

Restaurant Associates earnings off 40%

NEW YORK—Restaurant Associates, operator of the 19-unit Charlie Brown's group and several specialty restaurant concepts, reported net income off 40% to $1.9 million for the fiscal year ended Jan. 1.

Sales for the year edged upward 5% to $104 million while income from regular operations increased 4% to $3 million.

A company spokesman said the drop in net profit owed to the absence of last year's extraordinary tax credit of $929,000 and the reduction of nonrecurring pretax gains on the disposal of facilities by $729,000.

During 1982 Restaurant Associates added 12 restaurants and one hotel to its system, while closing five operations. It also entered into an agreement with the Chicago-based Levy Organization to help expand Levy's casual-themed Hillary's to the Eastern Seaboard.

EARNINGS REPORT

Company	Period	Period Ended	Total Sales*	% Change	Revenues*†	% Change	Net Income (Loss)*	% Change
JB's Rest. Inc.	12 wks. 24 wks.	3/13	$ 11.551 22.826	22.0 20.0			$287,151 673,157	76.7 37.0
Int'l Dairy Queen	13 wks.		20.472	28.3			417,475	212.0
Church's Fried Chicken	12 wks.	3/20			91.610	4.9	8.123	3.3
Taco Viva Inc.	13 wks. 9 mos.	2/28	4.275 11.249	38.6 24.5			292,000 650,000	46.0 62.0
Carl Karcher Ent.	12 wks. 12 mos.	1/28	55.755 231.024	18.0 15.1			2.224 9.763	(2.4) 40.5
Shoney's Inc.	3 mos.	2/20			108.400	26.0	5.100	4.3
Pizza Inc.	3 mos. 12 mos.	12/26			34.900 14.050	(1) 1.0	476,000	1,486.0 22.0
Hungry Tiger	3 mos. 6 mos.	2/18	13.000 25.600	7.0 6.0			459,000 585,000	(2) (30)
Max & Erma's	10 mos.	10/31	12.400	14.0			184,895	—
Marcus Corp.	3 mos. 9 mos.	2/3	22.800 76.100	12.3 5.1			755,000 4.700	97.0 8.3
Skipper's	3 mos.	3/20	10.500	40.0			439,000	4,390.0
Chi-Chi's	3 mos. 9 mos.	1/31			24.600 68.800	95.0 109.0	2.100 6.500	213.0 109.0
Esteban's Mexican Foods	3 mos. 12 mos.	12/25			2.000 6.100	63.0 31.0	(212,587) (505,670)	— —
Luby's Cafeteria	3 mos. 6 mos.	2/28			33.700 67.300	10.0 11.0	3.000 6.200	17.0 21.0
Restaurant Associates	12 mos.	1/1	104.000	5.0			1.900	(40.0)

Source: *Company earnings reports*

—loss in corresponding period
**In millions*
†In cases where companies do not break out their total sales for all units, revenues are indicated instead. These generally consist of company-owned restaurant sales, franchise fees and rental incomes, royalties and operating income, as well as other miscellaneous incomes, such as interest income and gains on real estate and construction.

Hungry Tiger net down 2%

LOS ANGELES—Hungry Tiger Inc. has posted net profits of $459,000 on sales of $12,999,000 for the 12-week second quarter ended Feb. 18. In the like period last year earnings were $470,000 on sales of $12,198,000.

For the 24 weeks ended Feb. 18 profits were $585,000 vs. $836,000 in the same period last year. Sales in the 24-week period were up 6% to $25,616,000.

During the second quarter, the company completed its purchase of the 12-unit Lobster House chain for cash estimated at more than $5 million. Lobster House had sales in 1982 of approximately $18 million.

"We believe that our new menu and increased advertising are beginning to have a positive impact," said president and ceo Alan Redhead, who also said the Lobster House acquisition should have a positive impact on Hungry Tiger earnings.

Luby's profit up 21% in 2nd qtr.

SAN ANTONIO, Tex.—Luby's Cafeterias has posted a 17% increase in earnings for the second quarter ended Feb. 28. Net income for the 66-unit chain was $2,985,000 on revenues of $33,654,000, compared to a $2,552,000 net on sales of $30,654,000 in the same period last year.

For the six months ended Feb. 28, profits were up 21% over the first half of last year. The six-month net was $6,192,000 on revenues of $67,335,000 vs. $5,113,000 on revenues of $60,972,000 last year.

COMPLETE
NRA SHOW SCHEDULE
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WINE & SPIRITS

Imported table wines score gains

NEW YORK—The strength of the dollar vs. foreign currencies is boosting sales of imported vs. domestic table wines here, according to the latest figures from wine industry sources.

Imported table wine shipments were up 6.4% last year to 107.3 million gal. from 100.8 million gal. in 1981. Although the increase was less than the 10.7% gain in imports rung up the year before, preliminary figures indicate the gain is substantially greater than any registered by domestic table wines.

A market share and gallonage report for imported table wines, released recently by Impact Wine & Spirits Newsletter, shows that among wine exporting countries France scored the biggest gains in the United States market of any last year.

French table wine imports here jumped 19.9% in 1982 to 18 million gal. from about 15 million in 1981. Large as this gain is, it does not match France's 1981 gain of 32.3%.

Other major imported wine supplying countries did not register gains anywhere near as great, however. Italy's increase last year was 5.3% to 63 million gal.; German table wine imports were up 1.3% to 13.2 million gal., and Portugal and Spain's table wines both dropped, 5.8% and 0.3%, respectively, in gallonage imported into the United States.

IMPORTS OF TABLE WINE INTO U.S. BY COUNTRY OF ORIGIN

(Total Percentage Share Of Imported Market)

Country	1960	1970	1975	1980	1981	1982
Italy	35.1%	18.4%	29.8%	59.6%	59.4%	58.7%
France	37.2	32.6	18.6	12.5	14.9	16.8
Germany	16.4	13.5	15.3	12.8	12.9	12.3
Portugal	2.1	19.0	16.9	6.2	5.3	4.7
Spain	2.8	10.2	14.7	5.3	4.0	3.7
Greece	1.6	1.4	1.2	0.6	0.6	0.6
Yugoslavia	1.0	0.2	0.3	0.3	0.4	0.5
Chile	0.9	0.5	0.1	0.2	0.3	0.3
Hungary	0.4	0.4	0.2	0.3	0.3	0.3
Argentina	—	0.1	0.3	0.2	0.2	0.2
Other	2.5	3.7	2.7	2.0	1.8	1.9
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: Impact Wine & Spirits Newsletter. *©1983 M. Shanken Communications. Used by permission.*

IMPORTS OF TABLE WINES INTO U.S. BY COUNTRY OF ORIGIN

(In Thousands Of Gallons)

Country	1975	1980	1981	1982	Average Annual Compound Growth Rate 1975-1980	Per cent Change 1980-1981	Per cent Change 1981-1982
Italy	11,883.5	54,259.2	59,859.9	63,023.6	35.5%	10.3%	5.3%
France	7,411.9	11,380.6	15,053.6	18,050.2	9.0	32.3	19.9
Germany	6,103.2	11,659.0	13,034.0	13,197.6	13.8	11.8	1.3
Portugal	6,715.8	5,683.4	5,366.4	5,053.5	– 3.3	– 5.6	– 5.8
Spain	5,848.0	4,804.5	3,979.8	3,966.5	– 3.8	–17.1	– 0.3
Greece	494.3	572.9	570.7	627.1	3.0	– 0.4	9.9
Yugoslavia	98.3	312.4	349.6	562.3	26.0	11.9	60.8
Chile	18.3	272.2	272.2	287.1	+	22.4	5.5
Hungary	63.4	233.3	305.6	286.4	29.9	31.0	– 6.3
Argentina	123.7	177.1	192.6	189.4	7.4	8.7	– 1.7
Other	1,083.9	1,811.6	1,844.1	2,071.2	10.8	1.0	12.3
Total	39,844.3	91,116.5	100,828.5	107,314.9	18.0%	10.7%	6.4%

Source: *Impact Wine & Spirits Newsletter.* ©1983 M. Shanken Communications. Used by permission.

Pascale: Successful restaurant marketing separate wine bar

Chuck Pascale, who also runs a fine wine store, checks in new shipments in the restaurant's extensive wine cellar.

(Continued from page 97)

taste at the bar, they'll order with their dinner and that's where Neal and I, making suggestions, come in.

Chuck Pascale lives in two business worlds, the wine store and the restaurant and often finds himself talking in the dynamics of either.

"Ten years ago," he said, lapsing into his retailer mode, "you had to justify to the customer why he should spend $7 on a California Cabernet rather than continue with the bottle of jug red he was drinking. The same sort of educational process has to occur in a restaurant."

Pascale emphasizes quality in its pouring brands to a degree that would make the most aggressive wine marketer purr with happiness. The pouring Vodka is a top-of-the-line import, matching similarly premium pouring Scotch, Rye and Bourbon. Most drinks sell for $2. The house wine most recently was a Chenas, a Cru Beaujolais, specially bottled with a Pascale label.

The emphasis on wine, including Cognacs and liqueurs, pays off in a 50-50 ratio of food and spirit sales, with wine making up 60% of the sales of alcoholic beverages. The rest is split between beer and spirits.

The menu changes frequently or, as Chuck quips, "We have an opening night every three weeks." The brothers come from a long-time Syracuse family and their wide acquaintance range helped keep the place sold out for its first week when they didn't bother to advertise.

Two weeks after opening, they put a 1½-in. by 1-in. ad in the local paper, without an address and Neal was locked to the phone answering questions: "Do you have spaghetti and meatballs? Do you have Ravioli? Lasagna? Coupons? Fish fry?"

Any slackening that might have occurred in the midwinter doldrum period was taken up in March when the town's leading critic defined Pascale's place in the local restaurant pantheon with extravagant praise, calling it "attractive, innovative, creative, friendly and stylish."

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Fine Dining Hall of Fame Awards—Pp. 33-66
Chicago Market Study—Pp. 101-136

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Operators spreading their assets

Profit margins up, customer counts flat

By Charles Bernstein

Viewing the second half hopefully but cautiously, chain and independent operators alike still face a classic dilemma of whether to concentrate on one concept only or to diversify to various alternatives.

Perhaps surprisingly, most have been opting and will continue to opt for the latter choice. They simply aren't willing to risk putting all their eggs in one basket in such an unpredictable economy where one segment bounces up and another down almost monthly. Or they sense a real opportunity to gain wider market shares through alternative concepts.

Thus Saga is in the process of acquiring not one but two Dallas-based regional chains with national potential—Chili's and Grandy's—to add to its three-chain arsenal, after waiting two years for the "right acquisition."

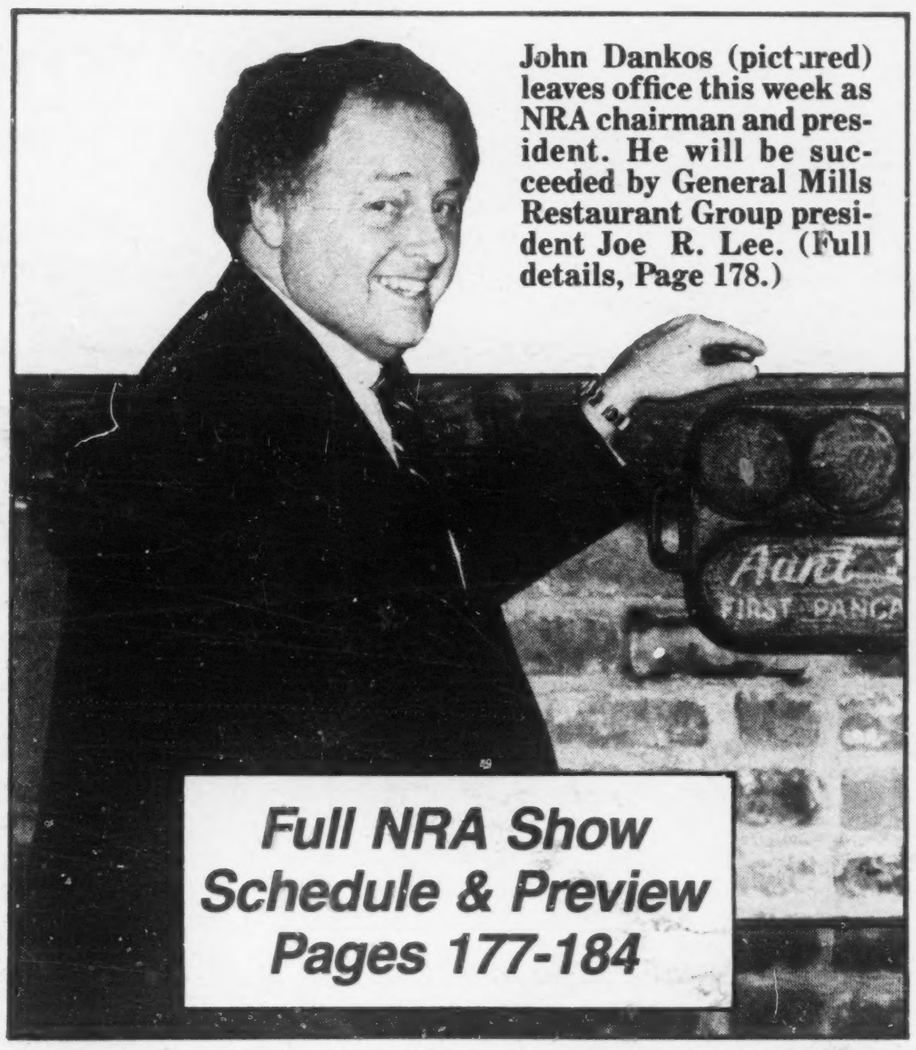
Kelly-Johnston, a leading Chi-Chi's franchisee, is acquiring Joe Kelly's steak and seafood restaurant and the Oyster Dock in its home Oklahoma City market as a prototype for two new projected chains; W. R. Grace is purchasing Gladstone's seafood restaurant in Los Angeles as a potential chain beyond Grace's already long list of chains; Ponderosa is branching into Casa Lupita Mexican dinnerhouses; Wendy's is trying to push Sisters Chicken, and Howard Johnson will be a Burger King turnpike franchisee.

McDonald's is trying a McSnack nonburger prototype, MiniMac scaled-down units, dessert centers, and drive-thrus only, although the reality is that McD will stick 98% with its inside seating regular-type units.

For independents the massive economic pressures, or in some cases the creative drive of intense entrepreneurs, is leading to mini-independent diversified empires such as the San Francisco-based Spectrum Foods mix of quality restaurants; the Richard Melman, Arnie Morton, Mark Levy and Jim Errant diversified restaurants in Chicago; and the Atlanta-based Peasant restaurant group.

Of course, there's a fine line between a mini-independent group and an actual chain, but these entrepreneurs like to con-

(Continued on page 222)



John Dankos (pictured) leaves office this week as NRA chairman and president. He will be succeeded by General Mills Restaurant Group president Joe R. Lee. (Full details, Page 178.)

Full NRA Show Schedule & Preview Pages 177-184

Set to close deals on Chili's, Grandy's

Big Saga moves in Texas

By Richard Martin

MENLO PARK, Calif.—Saga Corp. has signed letters of intent to acquire the 20-unit Chili's and 62-unit Grandy's chains.

The two transactions would close about Aug. 1 if final agreements are completed and the boards of all three companies approve.

Terms of the proposed transactions were not disclosed, but it is believed Saga is set to pay over $25 million for Chili's. Several other major corporations had made offers for the highly profitable burger chain in the past two months.

Chili's sales in 1982 were approximately $26 million. Grandy's revenues last year were about $22 million on systemwide sales of $48 million.

All of Chili's 20 restaurants are company-owned and operated, including seven opened in the last year. Forty-two of Grandy's 62 units are franchised; last year five company and 18 franchised stores opened, while 10 franchised units were closed in a dispute with a franchisee.

Saga chairman and ceo Charles A. Lynch said both proposed acquisitions would provide the company with vehicles having "substantial growth potential," and were consistent with Saga's long-term strategic business plan.

Saga owns and operates three restaurant chains: Stuart Anderson's Black Angus/Cattle Co., Straw Hat Pizza and Velvet Turtle. Although diverse

(Continued on page 221)

Top chefs acquiring taste for ownership

By Roman Czajkowsky

CHICAGO—Jackie Etcheber's life-long dream came true last September.

That's when Etcheber, 30, opened her first full-fledged restaurant of her own, after working her way through the kitchen at the well-known Le Francais in Wheeling, Ill., after years of college studying hotel and restaurant management, more years of hard work at assorted hotels where she learned all about running a business, and even after owning a hotdog/sandwich stand of her own.

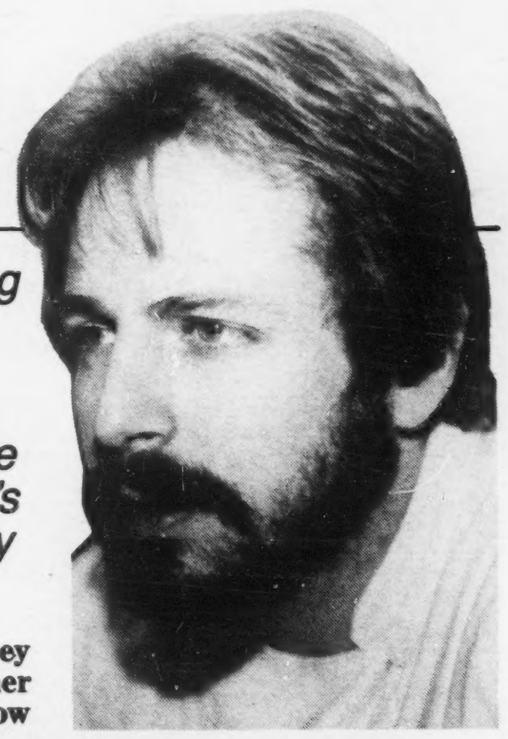
Etcheber exemplifies a growing phenomenon, one that is certain to have some profound as well as more subtle implications for the restaurant industry and consumers alike: Etcheber, and a number of like-minded foodservice professionals, have left or are leaving the kitchens of others and striking out on their own.

By itself that's not a new development. But a new pattern can be discerned: increasingly, the switch is being made by young people, chefs with often no more than a couple or so years of experience. As a rule, they're hard-pressed for funds, and so establish themselves in small, often out-of-the-way locations. And virtually without

(Continued on page 222)

'More and more young people . . . think they can do it on their own. I see too many people jumping on the bandwagon, and that's why we have so many turnovers.'

—Mike Foley
chef-owner
Printer's Row



Chains cultivating inner-city markets

By Charles Forman

Major fast feeders, warring for a larger market share among blacks and Hispanics are pursuing new or expanded business in Inner-City neighborhoods.

In the aftermath of a nationally heralded "mutual aid agreement" with Rev. Jesse Jackson's Operation PUSH (story, page 28), Burger King is actively soliciting ghettowise franchisees with ads in periodicals for blacks like Black Enterprise, Dollars & Sense, and The National Leader.

At the same time the company is buying up Arby's units in Milwaukee and Kansas City, planning 18-20 conversions in the next few months. Many will be in the most densely populated sections of those cities, a spokesman said.

KFC, tapping a $100-million expansion fund, is moving to build as many as 400 stores in the Washington-Baltimore-Philadelphia-New York corridor "as rapidly as we can, a goodly number in inner-city locations," Dick Mayer, chairman and chief executive said.

"We've been developing the inner city market for the last four years," Mayer said.

Wendy's recently signed an agreement with Noah Robinson, a black businessman, giving Robinson franchise rights to build Wendy's fast-food hamburger units on Chicago's southside.

Robinson also operates two Wendy's and four Church's in Harlem, N.Y. and will be involved in Bojangle's projected expansion in Chicago.

(Continued on page 222)

LATE NEWSBREAKS

The Chuck Muer Corp., Detroit, has agreed to buy all eight Meriwether's dinnerhouses from General Foods. The units are in Detroit, Chicago, Minneapolis, Milwaukee, and Short Hills, N.J. Muer operates 26 other dinnerhouses.

Marriott Corp. has completed the sale of 94 Rustler steakhouses to Tenly Enterprises of Rockville, Md., and 17 Rustler units to Sizzler Restaurants based in Los Angeles. Sizzler will convert at least 13 of the units to Sizzlers. (Earlier Sizzler story, Page 12)

Church's Fried Chicken was set to open its first freestanding upscale unit this week in a converted Krystal in Atlanta. The new Church's will differ from others in its classier interior and exterior and its larger menu.

Wendy's has added stuffed baked potatoes to its list of test items. The stuffed potatoes, priced from $1.29 to $1.89, come plain, with cheese, bacon and cheese or broccoli and cheese.

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FINANCIAL NEWS

Denny's earnings up 13%

LA MIRADA, Calif.—Denny's has reported a 13% increase in net profit to $8.1 million for the third quarter ended March 25, compared to the same period last year. Revenue for the period was up 12% over last year to $258.7 million.

Operating income for the quarter was actually up 28% from last year, the company reported, but a sharp drop in interest income, from $3.4 million last year to $1.1 million this year mitigated the bottom line advance.

Nine-month net profit was up 11% to $29.2 million on an 11% advance in revenue to $781.8 million.

Denny's restaurant division revenues for the third quarter were up 15% to $206 million. Average sales of company-operated units rose 6% in the quarter to $231,000, half from price increases and half from increased traffic.

Winchell's Donut House revenues rose in the quarter, but at a slower pace than menu price hikes. Average sales in the company's 836 domestic Winchell's units were $47,600, up 4% from the third quarter last year. Menu prices were increased 6% during the latest quarter.

Denny's will launch its 45-unit test of a line of five deli sandwiches this month in California Winchell's stores, in hopes of boosting doughnut house customer traffic.

President Vern O. Curtis said Denny's restaurants continued to gain market share nationally during the March quarter in the full-menu segment. Part of Curtis's strategy for augmenting these gains, he said, was further development of menu items that are not available elsewhere or are not readily prepared at home.

Naugles posts 59.8% profit gain in 3rd qtr.

FULLERTON, Calif.—Naugles Inc. has reported a 59.8% increase in net profit to $262,978 for the third quarter ended April 7, compared to the same period last year. Revenue for the period was up 67% over last year to $20.05 million.

For the 40 weeks ended April 7 net profit was up 32% to $1.9 million, while revenues rose 63% to $63.6 million.

During the third quarter the 24-hour fast-food operator opened 10 new units, bringing the total to 154 stores in seven states. At the end of last year's third quarter there were 88 stores in six states.

Chairman Harold Butler projects that the chain will comprise 165 units by fiscal year end on June 30, including its first restaurants in Florida. The company also plans to introduce chicken to its basic burger/taco/burrito menu in the fourth quarter, as well as adding additional types of tacos.

Food-service chain stock analysis table

		STOCK PRICE							TREND TO MARKET				EARNINGS/SHARE					P/E	DIVIDENDS			FINANCIAL POSITION					
		Two weeks ended May 6							Price Trend (% per day)		Volume Trend (% per day)			Latest 12 Months vs Preceding 12 Months Change		5-Year Annual Growth Rate	Profit Margin		Indicated Dvd. Rate		Last X-Dvd. Date	Last Fiscal Year			Last Fiscal Year (Per Share)		
Name	Symbol	High	Low	Close	Change Amt.	Change Pct.	52-Week High	52-Week Low	Last 30 Days	Last 5 Days	Last 30 Days	Last 5 Days	Last Fiscal Year	Amt.	Pct.			Latest P/E Ratio	Amt.	Yield		Revenue	Earnings	Current Ratio	Long Term Debt	Common Stock Equity	Last Balance Sheet Date
—	—	$	$	$	$	%	$	$	%	%	%	%	$	$	%	%	%	—	$	%	—	$ Mil.	$ Mil.	—	$	$	—
Aca Los A Res	ALAR	7.13	5.88	7.13	1.13	18.75	7.88	3.75	.67	3.40	2.33	29.42	.05	-.09 Q	-42.8	-29.0	.3	59.4	.00	.0	01-06-81	37.1	.1	2.4	5.69	2.90	1081
Am Motor Inns	INN	36.38	32.13	36.25	2.13	6.23	36.38	15.88	.36	1.74	1.46	13.43	2.10	.45 S	24.8	28.0	7.0	16.0	.25	.7	01-26-83	161.4	11.3	1.6	15.08	13.00	0782
ARA Services	ARA	50.75	46.75	50.50	3.00	6.32	50.75	25.25	-.17	1.49	-1.71	43.39	3.43	-.36 Q	-9.4	-8.0	1.4	14.7	2.05	4.1	05-26-83	2805.6	38.9	1.1	22.39	44.25	0982
Assoc Hosts	AHST	25.00	24.00	24.25	-.75	-3.00	25.00	5.00	.84	-.76	-3.06	-37.61	.58	-.12 S	-16.6	-15.0	2.2	40.4	.12	.5	03-04-83	78.6	1.7	1.6	6.60	7.58	0982
Beefsteak Char	BCS	8.50	7.25	8.25	.75	10.00	9.75	4.50	-.13	-.20	2.66	-25.00	.88	.17 Q	26.1	38.0	3.7	10.1	.00	.0	00-00-00	97.1	3.6	1.3	5.92	4.23	1082
Bob Evans Farms	BOBE	29.00	26.00	27.50	1.50	5.77	29.06	14.66	.01	-1.02	1.18	-28.38	1.09	-.03 N	-2.7	21.0	7.9	26.2	.30	1.1	05-09-83	173.4	13.7	1.7	.00	5.17	0482
Bonanza Intl Inc	BNZA	4.50	4.13	4.38	.25	6.06	4.50	1.50	.61	-.15	-3.13	-68.17	.11	.17 Q	NC	-81.0	3.1	25.7	.00	.0	00-00-00	16.1	.5	1.6	9.70	1.67	1282
Brock Hotel Cp	BHC	11.00	8.75	11.00	2.00	22.22	17.25	7.50	.15	2.65	5.14	49.77	.39	-.31 Q	-52.5	-4.0	2.0	39.3	.10	.9	03-15-83	259.8	5.1	1.2	11.01	3.90	1281
Calny Food	CLNY	15.00	14.25	14.50	-.50	-3.33	17.25	5.16	-.67	-1.33	-4.75	-44.12	.74	.50 N	119.0	9.0	3.2	15.8	.20	1.4	04-28-83	37.0	1.2	.6	1.01	1.51	0282
Captain Crabs	CRAB	3.88	3.75	3.88	.13	3.33	4.13	1.00	-.54	.00	3.03	9.83	.00	.00 Q	NC	NC	.0	NE	.00	.0	00-00-00	.9	.0	7.0	.04	.22	0882
Carrols Develop	CRL	12.00	10.75	11.75	1.00	9.30	12.00	3.34	-.04	.43	-.64	-29.41	.44	.40 N	93.0	22.0	1.9	14.2	.07	.6	02-02-83	68.6	1.3	.6	6.55	4.00	0582
Chart House	CHHO	30.75	28.38	29.50	.63	2.16	30.75	17.25	.34	-.67	-2.22	-29.68	2.08	.05 F	2.4	13.0	4.9	14.2	.60	2.0	03-17-83	382.0	18.7	.9	14.53	10.14	1281
Chi-Chis	CHIC	28.75	23.50	28.75	4.75	19.79	28.75	8.75	.28	2.80	1.03	-2.80	.55	.34 N	82.9	26.0	11.7	38.3	.00	.0	12-20-82	38.6	4.5	3.0	2.18	2.26	0482
Ch Full O Nut	CHF	17.88	16.63	17.88	.50	2.88	19.88	12.00	-.26	.33	-2.40	-1.71	.34	-.07 S	-14.5	-11.0	1.4	43.6	.40	2.2	12-09-82	115.8	1.6	3.1	.43	5.97	0782
Churchs Fr Ch	CHU	43.00	40.25	43.00	1.25	2.99	43.00	25.00	-.06	-.07	3.20	62.32	3.28	-.18 Q	-5.1	9.0	10.1	13.0	1.00	2.3	01-24-83	413.1	41.6	1.8	.93	17.60	1282
Cindys Inc	CNDYC	4.00	3.00	3.00	-.13	-4.00	4.00	2.63	-.11	1.32	5.30	39.67	.13	.19 F	NE	NE	1.7	23.1	.00	.0	00-00-00	17.2	.3	.0	7.17	.29	1281
Collins Foods	CF	26.63	25.00	26.38	1.00	3.94	26.63	10.88	.16	.07	1.16	-6.20	1.69	.53 N	33.3	16.0	3.2	12.4	.24	.9	03-25-83	298.0	9.6	1.3	7.44	10.69	0482
Consul Corp	CNSL	15.13	13.38	15.13	1.13	8.04	15.13	5.88	-.03	2.05	-.34	27.75	.00	.16 N	400.0	NE	.0	75.6	.00	.0	00-00-00	17.6	.0	.7	2.21	2.88	0582
Cracker Barrel	CBRL	29.25	27.75	29.00	1.25	4.50	29.25	9.25	.16	.14	-3.40	-3.32	1.03	.18 S	17.8	19.0	3.7	24.4	.00	.0	00-00-00	35.4	1.3	1.9	5.35	6.69	0782
Dennys Inc	DEN	36.75	33.25	35.00	-1.50	-4.11	36.88	22.38	-.11	.16	-2.65	2.35	2.47	.26 N	11.1	9.0	3.9	13.5	.64	1.8	03-04-83	955.7	36.8	1.4	15.81	15.02	0682
Dunkin Donuts	DUNK	21.88	20.50	21.50	-.25	-1.15	22.13	9.91	-.05	.32	-2.46	-40.73	1.40	.20 Q	15.8	18.0	9.4	14.7	.24	1.1	02-07-83	71.3	6.7	1.2	12.87	15.97	1082
Frischs	FRS	18.38	16.00	18.38	1.88	11.36	18.38	7.94	.06	-.11	1.37	-18.25	1.80	-.27 N	-15.0	12.0	3.8	12.1	.40	2.2	03-29-83	101.0	3.8	1.5	6.23	13.58	0582
Godfathers Pizza	GFPZ	25.50	23.38	24.38	-.88	-3.47	25.50	9.63	.55	-.60	-3.66	-24.00	.65	.07 F	12.0	121.0	14.9	37.5	.00	.0	00-00-00	40.2	6.0	2.0	.76	1.01	1281
Hambrg Hamlet	HAMB	11.25	11.25	11.25	.00	.00	11.25	5.00	1.20	-.66	-1.66	-35.48	1.35	.54 N	93.1	-8.0	3.2	10.0	.00	.0	00-00-00	31.6	1.0	.7	20.45	13.07	0382
Hardwicke	HAWK	1.63	1.50	1.50	-.13	-7.69	2.50	.88	1.40	-3.19	9.13	-50.00	-2.22	-5.08 N	-336.8	-63.0	-11.4	NE	.00	.0	00-00-00	30.6	-3.5	1.4	18.38	8.12	0981
Hilton Hotels	HLT	57.38	47.00	57.00	6.88	13.72	57.38	27.63	.38	3.18	2.49	-12.35	3.04	-1.10 Q	-27.9	.0	14.4	20.1	1.80	3.2	02-28-83	562.9	81.3	2.0	6.73	21.31	1282
Holiday Inns	HIA	51.25	43.13	49.88	4.63	10.22	51.25	24.50	.42	2.63	1.16	6.56	2.50	-.18 Q	-6.4	8.0	6.8	19.2	.84	1.7	03-14-83	1425.3	97.2	.9	11.74	25.35	1282
Holiday Inns A	HIA A	67.50	66.00	66.00	3.00	4.76	67.50	38.38	.14	-.66	-3.69	.00	NA	NA	NA	NA	NA	NA	.00	.0	00-00-00	NA	NA	NA	NA	NA	NA
Horn & Hardart	HOR	34.13	28.75	33.50	3.50	11.67	34.13	13.06	.79	.53	-1.42	15.09	1.14	.37 Q	40.2	39.0	2.8	26.0	.00	.0	09-27-82	235.4	6.6	1.7	11.45	6.30	1281
Hungry Tiger	HTIG	10.00	9.25	10.00	.25	2.56	12.25	4.84	-.40	-.14	-4.84	-20.95	.78	-.07 S	-9.4	7.0	3.8	14.9	.00	.0	11-15-82	55.9	2.1	.6	4.91	5.57	0882
Imperial Grp	IMT	1.94	1.75	1.94	.13	6.90	2.06	1.50	.14	1.61	12.98	-11.27	.24	.00 Q	.0	-7.0	2.0	8.1	.14	7.2	09-28-82	8462.9	171.0	1.1	.65	2.08	1081
Intl Dairy Queen	INDQ	29.50	29.00	29.50	.50	1.72	30.00	11.25	-.30	-.84	-1.14	3.57	2.17	.60 Q	35.5	30.0	6.3	12.9	.00	.0	00-00-00	98.6	6.2	1.1	11.23	6.32	1182
Int King Tab	IKNG	24.25	21.75	23.63	2.50	11.83	24.25	3.00	1.42	-.81	.49	-32.64	.33	.98 N	515.7	20.0	1.4	20.2	.00	.0	10-09-79	36.6	.5	.3	4.09	3.77	0682
JBs Rest	JBBB	15.88	15.00	15.88	.88	5.83	15.88	5.75	.26	-.40	-1.57	3.51	.93	.27 S	37.5	13.0	3.5	16.0	.16	1.0	02-07-83	45.1	1.6	.9	6.36	5.84	0982
Jerrico Inc	JERR	19.63	18.50	19.63	.25	1.29	23.50	12.69	-.31	.47	-1.34	-19.22	1.40	-.16 S	-10.8	22.0	5.1	15.0	.12	.6	05-09-83	425.5	21.8	.9	2.91	8.99	0682
Kapok Tr Inns	KTI	6.88	6.50	6.63	-.13	-1.85	7.00	3.00	.68	-1.06	-1.63	46.55	-.37	-.21 Q	NE	-46.0	-6.1	NE	.00	.0	00-00-00	11.4	-.7	2.5	1.36	5.45	0982
Kelly-Johnston	KEJO	16.75	13.88	16.75	2.63	18.58	24.50	10.34	.15	2.60	3.32	10.40	.59	.26 N	72.2	98.0	8.4	27.0	.00	.0	10-13-82	17.9	1.5	.9	.89	4.40	0382
Karcher Carl	CARL	29.75	24.00	29.75	5.50	22.68	29.75	9.50	.16	3.72	3.81	14.54	1.21	1.43 N	NC	17.0	3.4	20.8	.00	.0	02-16-83	200.6	6.9	1.9	5.15	6.67	0182
Lubys Cafe	LUB	30.00	28.00	29.75	.25	.85	32.59	20.50	-.48	-.09	1.79	-16.21	1.35	.18 S	14.4	20.0	9.1	20.8	.48	1.6	06-06-83	127.3	11.6	1.9	.64	6.79	0882
Marcus Corp	MRCS	11.75	11.13	11.75	1.00	9.30	11.75	5.75	.13	-.66	6.48	-.30	1.13	.06 N	5.1	4.0	5.7	9.6	.00	.0	08-24-81	103.8	5.9	.8	2.98	9.76	0582
Marriott Corp	MHS	72.38	66.38	72.13	3.88	5.68	72.38	32.00	.15	1.09	1.10	33.48	3.44	.38 Q	11.8	24.0	3.7	20.1	.36	.5	03-21-83	2541.4	94.3	.9	33.49	19.43	1282
McDonalds Cp	MCD	74.00	65.00	66.75	-6.75	-9.18	74.50	43.09	-.38	-.89	4.89	-9.95	5.00	.65 Q	14.5	17.0	10.9	13.0	.88	1.3	10-15-82	2769.5	300.6	.5	15.35	22.73	1281
Morrison Inc	MORR	18.00	16.88	17.25	-.75	-4.17	20.13	9.75	-.87	-.87	3.93	26.30	1.16	.31 N	29.5	9.0	4.1	12.7	.40	2.3	04-11-83	364.3	15.1	1.4	2.95	7.90	0582
Mr Steak	MSST	8.38	7.00	7.75	-.75	-8.82	9.00	1.75	.44	2.00	-4.88	-27.70	-.98	-1.24 Q	-539.1	-41.0	-2.7	NE	.00	.0	05-29-80	59.6	-1.6	1.1	4.26	3.76	0982
Nathans	NATH	2.25	1.88	1.88	-.13	-6.25	2.50	.72	.16	-.36	5.24	35.94	.03	.80 N	NE	NE	.6	18.8	.00	.0	09-09-82	16.7	.1	.5	.10	1.73	0382
Naugles	NAUG	27.75	25.25	27.75	1.00	3.74	27.75	8.06	.73	-.10	5.40	-7.73	.78	.88 N	NC	48.0	3.9	31.5	.00	.0	11-01-82	55.8	2.2	.4	8.04	2.73	0682
Oakbrook Cons	OKCO	18.00	16.50	16.50	-1.50	-8.33	18.50	9.00	-.40	-2.11	-.95	.00	.69	-1.50 Q	-93.1	-36.0	.4	150.0	.32	1.9	12-29-82	143.6	.6	.6	3.82	13.85	0982
Orange-co	OJ	6.88	5.00	6.88	1.75	34.15	8.50	4.38	.30	6.74	7.43	39.05	-.25	-1.94 S	-192.0	-28.0	-.8	NE	.00	.0	02-22-82	74.0	-.6	1.3	13.28	4.63	0882
Peoples Rest	PEPL	10.50	9.00	10.50	.50	5.00	10.50	4.38	.72	1.19	2.36	-13.64	.19	.20 N	NC	81.0	13.8	52.5	.00	.0	00-00-00	5.8	.8	.5	.75	2.39	0682
Piccadilly Caf	PICC	17.50	16.63	16.75	-.88	-4.96	18.13	13.50	-.35	-.90	-.49	-12.24	1.39	-.36 N	-25.0	9.0	5.9	15.5	.56	3.3	03-09-83	142.6	8.4	1.9	.00	7.29	0682
Pizza Inn	PZA	13.38	11.75	12.88	1.25	10.75	13.38	4.50	.65	.36	-.06	-13.96	.61	.24 Q	43.6	5.0	1.3	16.3	.02	.2	04-11-83	135.1	1.7	.9	13.55	7.29	1282
Pizza Time Thea	CHKY	20.25	17.25	20.25	2.00	10.96	32.50	14.25	.68	2.00	-1.40	6.90	1.27	.33 Q	40.2	29.0	7.6	17.6	.00	.0	00-00-00	99.3	7.5	1.2	5.53	9.23	1282
Ponderosa Sys	PON	22.50	20.00	21.50	.50	2.38	22.50	9.34	.08	.00	1.23	-19.05	1.50	.18 F	13.6	-6.0	2.7	14.3	.33	1.5	06-08-83	384.8	10.4	1.0	13.32	11.23	0282
Ramada Inns	RAM	9.38	7.63	8.75	1.13	14.75	9.38	4.25	-.10	2.00	2.35	21.02	-.73	-.77 F	-925.0	-29.0	-3.6	NE	.00	.0	10-19-81	548.3	-19.8	.6	18.98	6.03	1281
Restaur Assc	RA	10.25	8.00	10.25	1.75	20.59	10.25	3.25	.24	1.32	7.86	-41.30	.77	-.06 Q	-8.2	22.0	1.8	15.3	.00	.0	00-00-00	104.8	1.9	1.0	3.98	7.15	1282
Ryans Fam Steak	RYAN	20.50	17.00	17.25	-4.75	-21.59	22.25	3.09	-.21	-1.51	-3.22	-29.15	.33	.36 Q	NC	68.0	10.6	47.9	.00	.0	04-20-83	9.4	1.0	3.1	.34	1.61	1282
Saga Corp	SGA	64.00	54.38	62.25	7.88	14.48	64.00	23.88	.42	2.34	5.77	44.10	3.35	.96 N	29.8	41.0	1.9	14.9	.72	1.2	05-16-83	901.0	16.8	.9	8.51	17.72	0682
Sandwich Chef	SHEF	15.50	15.00	15.00	-.50	-3.23	15.50	11.50	-.05	-1.13	-9.11	-89.66	.77	.76 S	NC	26.0	4.7	19.7	.00	.0	00-00-00	17.0	.8	.6	.50	3.42	0682
Sea Galley	SEAG	8.63	8.38	8.63	.00	.00	10.63	5.50	-.07	.24	-.72	2.36	.02	-.91 Q	-135.8	-33.0	.1	NE	.00	.0	06-02-81	70.1	.1	1.8	2.38	4.99	1281
Servico Inc	SRVI	15.75	15.25	15.25	.00	.00	16.00	7.03	.07	-1.00	1.93	-18.02	1.54	-.82 N	-43.6	61.0	3.5	14.4	.00	.0	07-09-82	126.4	4.4	1.1	50.99	5.46	1281
Shoneys Inc	SHON	26.75	22.75	26.75	2.63	10.88	27.00	12.66	-.45	.70	.99	-8.55	.86	.08 F	10.2	19.0	5.1	31.1	.15	.6	03-11-83	324.9	16.6	1.0	2.65	5.02	1082
Skippers	SKIP	11.50	9.84	11.25	1.25	12.50	11.50	3.16	.57	1.79	-3.38	12.11	.48	.27 Q	67.5	14.0	2.6	16.8	.08	.7	03-31-83	38.1	1.0	1.2	2.30	4.05	1281
Sonesta Hotel	SNSTZ	16.00	15.50	16.00	.50	3.23	16.50	8.50	-.37	-.04	-2.35	9.38	.28	-.11 F	-28.2	5.0	.9	57.1	.20	1.3	06-25-82	80.1	.7	1.1	26.22	9.51	1282
So Hospitality	SHOS	5.38	4.88	5.38	.13	2.38	6.25	1.38	-1.18	.93	-2.08	51.82	.14	.21 N	NC	25.0	2.5	25.6	.00	.0	00-00-00	20.3	.5	1.0	2.29	-.20	0582
Steak n Shake	STAK	7.00	5.63	6.25	.63	11.11	7.00	2.50	.44	-1.86	-1.14	-46.52	.18	.12 F	200.0	-28.0	1.4	34.7	.00	.0	05-17-79	57.2	.8	1.2	4.60	2.60	0981
Victoria Stations	VSTA	9.50	8.00	9.50	1.00	11.76	10.38	5.00	-.17	.07	-2.92	-16.95	.35	-1.05 N	-875.0	-41.0	1.0	NE	.00	.0	09-19-79	123.4	1.2	1.0	7.67	10.49	0382
Wendys Intl	WEN	19.38	17.13	19.25	1.25	6.94	19.38	9.59	-.04	.63	-.85	3.49	1.13	.16 Q	15.8	13.0	7.3	16.5	.24	1.2	04-29-83	607.6	44.1	.6	2.56	5.27	1281
Webb Del E	WBB	15.75	14.38	15.63	.63	4.17	15.88	5.88	-.17	.68	1.30	39.78	.16	-.40 F	-71.4	-35.0	.5	97.7	.00	.0	11-07-80	311.2	1.5	.9	11.32	13.71	1282
Western Steer	WSMP	17.50	15.25	17.50	2.75	18.64	17.50	8.00	1.47	.62	5.93	-.55	1.06	1.13 N	NC	9.0	3.7	15.5	.12	.7	12-08-82	27.3	1.0	1.3	6.97	6.29	0282
Winners Cp	WNER	13.25	12.25	13.25	.38	2.91	14.63	6.94	-.30	.34	-3.11	-.43	.62	.12 F	24.0	7.0	2.6	21.4	.00	.0	03-10-83	83.1	2.2	.3	10.03	5.32	1281

KEY: NA—Not Applicable NC—Not Calculable NE—Negative Earnings Q-First Quarter S-Six months N-Nine months F-Fiscal year
**—Other than a quarterly multiple resulting from a fiscal year change.*

Data and Table Provided by Media General Financial Services, Inc., Richmond, VA 23261

FINANCIAL NEWS

McDonald's profit up 13%

OAK BROOK, Ill.—McDonald's Corp. net profits rose 13% to $65.9 million on an 8% increase in systemwide sales to $1.8 billion in the first quarter ended March 31 compared with the year-earlier period.

Revenues from franchised restaurants rose 11% to $150 million and sales from company-owned restaurants increased 7% to $497 million in the quarter. Total revenues, which included foreign currency exchange gains and property sales, rose 8% to $663 million.

Margins at company-operated restaurants improved to 16.3% of sales from 14.7% of sales in 1982's first quarter, according to Fred Turner.

McDonald's opened 58 new restaurants in January, February and March and at the end of the quarter operated 7,317 units worldwide, compared to 6,798 units at the end of the same period a year ago.

The company has another 153 restaurants under construction and plans to open about 500 units by the end of the year, including about 165 in foreign countries. There are 1,363 McDonald's restaurants in 31 foreign countries and territories, compared with 1,207 a year ago.

International division sales rose 8% to $355 million in the quarter. Turner said weaker foreign currencies depressed sales, revenues and operating income in the international division; if exchange rate had remained at 1982 levels, division sales would have been $24 million higher, he added.

Peoples Restaurants net profit increases 152% in third quarter

RICHARDSON, Tex.—Peoples Restaurants has reported a 152% increase in net profit to $560,000 for the third quarter ended March 27, compared to the same period last year. Chainwide revenue for the period was up 107% over last year to $10.6 million.

The increase was attributed to the opening of 19 additional restaurants during the first three quarters of the year; the chain now comprises 40 units.

Nine-month net profit was up 179% to $1.0 million on a 125% advance in chainwide sales to $25.8 million. Revenues from company-operated restaurants were up 630% in the third quarter to $8.5 million, and up 580% for the year to date to $18.1 million.

Five new restaurants were opened during the third quarter, with 12 more expected to open in the fourth quarter ending June 26. Board chairman Donald G. Thomson reported that sales in restaurants utilizing a new menu introduced last December continue to run in excess of 30% over sales from previous menus.

Thomson said the higher sales levels being experienced in new stores using the new menu had caused a shift in Peoples' strategy. The company will begin to emphasize the opening of company-operated units, which Thomson said would increase operating profit and decrease reliance on franchise fees.

The Forecast

People will continue franchise development at a lower level next year, and will halt such construction completely in 1985, Thomson said. From that point on, he said, the only new franchised units would be those built by franchisees themselves.

Sea Galley net down for 1st qtr.

MOUNTLAKE TERRACE, Wash.—Sea Galley Stores has reported a net loss of $462,000 for the first quarter ended March 31, compared to a net profit of $140,000 in the same period last year. Net sales for the period were up 34% to $21.5 million.

First-quarter results included a $415,000 charge to earnings resulting from a retroactive change in accounting methods for preopening costs of new units. Prior to the accounting change, profit would have been $555,000.

"Same-store guest count comparisons with the prior year were flat for the quarter but up 2% in March," Dowen said. "Same-store sales are currently running nearly 10% from a year ago in the West and 21% ahead on the East Coast.

"With these sales volume increases we have now begun to regain margins, and restaurant operations were restored to profitability in March."

EARNINGS REPORT

Company	Period	Period Ended	Total Sales*	% Change	Revenues*†	% Change	Net Income (Loss)*	% Change
Denny's	3 mos.	3/25			$258.7	12.0	$ 8.100	13.0
	9 mos.				781.8	11.0	29.200	11.0
Int'l Kings Table	3 mos.	4/9	$ 14.9	31.0			1.000	395.0
	9 mos.		34.4	28.0			1.500	537.0
Peoples Restaurants	3 mos.	3/27	10.6	107.0			0.560	152.0
	9 mos.		25.8	125.0			1.000	179.0
McDonald's	3 mos.	3/31	1,800.0	8.0	663.0	8.0	65.900	13.0
Sea Galley	3 mos.	3/31	21.5	34.0			(0.462)	—
Chart House	3 mos.	3/31			94.0	11.0	2.800	20.0
Skipper's	3 mos.	3/20	10.5	47.0			0.439	4,380
Winner's Corp.	3 mos.	3/31	17.8	(5.0)			0.471	81.0
Piccadilly	3 mos.	3/31	36.0	69.0			0.644	(66.0)
	9 mos.		113.7	7.7			5.100	(27.0)
Chi-Chi's	3 mos.	1/31			24.6	95.0	2.100	214.0
	9 mos.				68.8	109.0	6.500	109.0
JB Restaurants	3 mos.	3/13	11.6	22.0			0.287	76.0
	6 mos.		22.8	20.0			0.673	38.0
Max & Erma's	10 mos.	10/31	12.4	14.0			0.185	—
Morrison Inc.	3 mos.	2/26			104.1	16.0	4.500	22.0
	9 mos.				311.0	18.0	13.100	21.0
Marcus Corp.	3 mos.		22.8	12.3			0.755	97.0
	9 mos.		76.1	5.1			4.700	8.3
Esteban's Mex. Foods	3 mos.	12/25			2.0	63.0	(0.213)	—
	12 mos.				6.9	31.0	(0.506)	—
Pizza Inn	3 mos.	3/27			35.0	2.3	0.948	
Sandwich Chef	3 mos.	4/2	5.3	24.0			0.216	
	9 mos.		14.5	14.5			0.598	
Naugles	3 mos.	4/7			20.1	67.0	0.263	
	9 mos.				63.6	63.0	1.900	

Source: *Company earnings reports*

—loss in corresponding period
**In millions*
†In cases where companies do not break out their total sales for all units, revenues are indicated instead. These generally consist of company-owned restaurant sales, franchise fees and rental incomes, royalties and operating income, as well as other miscellaneous incomes, such as interest income and gains on real estate and construction.

Chart House reports 20% climb in 1st qtr. earnings

LAFAYETTE, La.—Chart House Inc., a diversified restaurant company operating more than 500 establishments throughout the United States, reported net profit rose 20% to $2.8 million during the first quarter ended March 31 compared with the same period of the previous year.

Revenues increased 11% to $94 million for the period.

These results are a Chart House record, according to W. David Hanks, the company's vice president of finance and chief financial officer.

The company's president, William L. Hyde Jr., attributed the strong performance to an unusually mild winter in many of Chart House's market areas.

The company's financial posture remains solid, Hanks said, as a result of last year's sale of stock and an increase in internal cash flow. These funds, he added, were used to defray the remaining balance outstanding on the company's $50 million revolving line of credit.

Chart House operates three dinnerhouse concepts, Chart House and Cork 'N Cleaver steakhouses and Cisco's Cafe, a Mexican-style dinnerhouse, and franchises a cafeteria-style barbecue concept, Luther's Bar-B-Que. It is the largest single franchisee of the Burger King Corp., with more than 340 units, some sublicensed.

International King's Table earnings skyrocket 395%

EUGENE, Ore.—International King's Table Inc. has reported a 395% increase in net income for the 16-week third quarter ended April 9, to $1 million vs. $203,000 last year. Sales were up 31% to $14.9 million from $11.3 million in 1982's third quarter.

Board chairman and president Roger Houmes said, "The increased profitability is primarily a function of increased customer traffic, as meal prices remained relatively constant during the quarter."

Customer counts in the quarter increased 26% to 4,045,000, compared to last year's third period. "Restaurant operating margins were up 67%," said Houmes, "highlighting the relative decline of fixed expenses as a significant element of total operating costs."

For the 40 weeks ended April 9 the company posted net income of $1,542,000, up 537% from the $242,000 reported during the same period last year. Sales through the third quarter totaled $34,404,000 vs. $26,866,000 a year ago.

A continuing reduction in the company's bank debt has helped boost profits, Houmes indicated. Interest expense dropped $165,000 in the third quarter, and a total of $398,000 for the year to date, he said.

With disposition of unprofitable units in the third quarter King's Table now operates 55 smorgasbord-style restaurants and one Oh Susannah's unit in seven western states. An agreement was made during the third quarter to purchase 27 restaurants from Royal Fork Buffet of Boise, Idaho, highlighting the company's turnaround efforts which have seen a rebound from $1 million-plus losses in both 1980 and 1981.

Morrison posts 22% gain

MOBILE, Ala.—Morrison Inc., operator of 152 cafeterias, posted a 22% gain in net profits to $4. 5 million for the third quarter ended Feb. 26, compared to the same year-ago quarter.

Third quarter revenues rose 16% to $104.1 million, vs. the 1982 quarter.

Nine-month net increased 21% to $13.1 million on an 18% revenue gain to $311 million, compared to the prior-year period.

Officials said the advances were achieved "in spite of a continued customer count decline in our cafeteria division."

In addition to its cafeterias, Morrison operates a food-service management division and the Ruby Tuesday dinnerhouse-pub chain.

Skipper's net rises $439,000

BELLEVUE, Wash.—Skipper's, operator and franchisor of 135 fast-food fish restaurants in nine western states, has reported net profit of $439,000 for the first quarter ended March 20 compared to $10,000 for the same period last year.

The profit gain came on a 40% increase in sales for the period to $10.5 million compared to $7.5 million for the same period last year.

Gene Stone, president and ceo, said chain expansion and a vigorous marketing program were major contributors to the company's improved performance. He also gave credit to a mild winter in Skipper's principal Northwest market, and the establishment of favorable sales and earnings trends during the last four quarters.

During the first quarter, the company opened a unit in Washington and its first unit in Hawaii.

Chi-Chi's earnings up 100% for third quarter

LOUISVILLE, Ky.—Chi-Chi's, an 89-unit Mexican dinnerhouse chain, reported net profits of $2.1 million for the third quarter ended Jan. 31, more than double the $669,044 posted at the same time last year.

Revenues for the third quarter were $24.6 million, vs. $12.6 million in the year-ago period.

Nine-month net profits surged 109% to $6.5 million on revenues of $68.8 million, also a 109% increase over the prior-year period.